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SUBJECT: UN FINANCES: 2006 PAYMENTS ARE SLOW

¶1. SUMMARY: On May 24th, UN Controller Warren Sach updated the Fifth Committee on the current financial situation of the United Nations. He noted that the overall financial situation in 2005 was better than 2004, but that 2006 payments thus far on the regular budget were below payments made this time in 2005. The Fifth Committee will have a general discussion on the UN's financial situation on Thursday, June 1st. END SUMMARY.

¶2. With regard to the UN Regular Budget, unpaid assessments at the end of 2005 totaled \$333 million vs. \$357 million at the end of 2004. However, cross-borrowing was needed during October and November 2005. As of April 30, 2006, the UN has received \$877 million in payments against assessments of \$1,755 million. The level of paid assessments thus far in 2006 is approximately \$200 million less than the same period in 2005. As of April 30, there was \$697 million available in cash in the combined general fund (\$380 million for the regular budget, \$100 million in the working capital fund, and \$217 million in the special account). The Controller stated that, if past payment patterns were followed, \$881 million would be received by year end.

¶3. Unpaid peacekeeping assessments at the end of 2005 (\$2,919 million) were higher than at the end of 2004 (\$2,570 million), but the amount as of December 31, 2005 included \$1,183 million in assessments issued earlier in the month. Total cash on hand for peacekeeping missions at December 31, 2005 was \$1,646 million (\$1,179 million from active missions, \$327 million from closed missions, and \$140 million in the peacekeeping reserve fund). The UN projects that \$1,366 million in cash (\$917 million from active missions, \$306 million from closed missions and \$143 in the reserve fund) will be available at the end of 2006. The UN expects that, after liabilities are paid, there will be \$73 million remaining from closed missions that can be used for cross-borrowing purposes. Unpaid assessments at April 30th equal \$1,640 million, including \$488 million in assessments issued earlier in the month.

¶4. As of April 30, 2006, the UN tribunals for Rwanda and Yugoslavia had unpaid assessments of \$142 million, as compared to \$150 million at the same time in 2005. The Capital Master Plan received \$41.8 million in payments as of April 30th vs. assessments of \$51.5 million (not including a new \$23.5 million appropriation approved in May 2006, for which an assessment letter has not yet gone out).
BOLTON